



# HOUSE OF REPRESENTATIVES

HB 2157

ASRS; political subdivision entities

Prime Sponsor: Representative Ugenti-Rita, LD 23

---

**X** Committee on Government and Higher Education

Caucus and COW

House Engrossed

---

## **OVERVIEW**

HB 2157 precludes any new employee of a political subdivision entity from enrolling in the Arizona State Retirement System (ASRS).

## **PROVISIONS**

1. Modifies the definition of [member](#) for purposes of enrollment in ASRS by excluding any employee of a *political subdivision entity* hired after the effective date of this amendment.

## **CURRENT LAW**

ASRS provides defined contribution retirement benefits to the employees of this state, participating political subdivisions and participating political subdivision entities. A *political subdivision entity* means an entity: 1) that is located in Arizona; 2) that is created in whole or in part by political subdivisions, including instrumentalities of political subdivisions; 3) where a majority of the membership of the entity is composed of political subdivisions; and 4) whose primary purpose is the performance of a government related service ([A.R.S. § 38-711](#)).

## **ADDITIONAL INFORMATION**

An [Attorney General Opinion](#) issued November 5, 2003, concluded that voluntary associations of governments were not political subdivisions for the purposes of ASRS. [Laws 2004, Chapter 246](#) added political subdivisions to the definition of *employer*, allowing political subdivision entities to participate in ASRS and their employees to become members of ASRS (A.R.S. § 38-711).